without regard to the procedures under clause 1, that would change the statutory limit on the public debt; or

(b) the rights of Members, Delegates, the Resident Commissioner, or committees with respect to the introduction, consideration, and reporting of such bills or joint resolutions.

5. In this rule the term ''statutory limit on the public debt'' means the maximum face amount of obligations issued under authority of chapter 31 of title 31, United States Code, and obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), as determined under section 3101(b) of such title after the application of section 3101(a) of such title, that may be outstanding at any-one time.

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OFFICIAL TRUTH SQUAD

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentlewoman from North Carolina (Ms. FOXX) is recognized for 60 minutes as the designee of the minority leader.

Ms. FOXX. Mr. Speaker, the gentleman from Georgia (Mr. PRICE) works very hard on organizing our Truth Squad and making sure that we are getting the word out about what needs to be gotten out in terms of the issues that are important, I think, to the American people. We are going to talk about the economy and what is happening to the economy in the United States, and I want to talk a little bit about that to begin with until Mr. PRICE gets here, and I probably will recognize my colleague from Tennessee, who is also here to speak on this issue, and ask him if he would share some comments.

The first thing I want to say is that our economy is in wonderful, wonderful shape. It is the best economy that we have had in this country for many, many years. Now, a major reason that the economy is in such great shape is because of the tax cuts of 2001 and 2003. I was not here when those tax cuts were passed, but I am very pleased that they were passed and that they brought about such a positive economy for this country. We have the lowest unemployment rate that we have had in 50 years. We have growth in all sectors. We have more people owning their homes than have ever owned them before. Incomes are up and revenues are up.

And I want to say something about revenues, using some information from the Heritage Foundation. Tax revenues in 2006 were 18.4 percent of gross domestic product, which is above the 20-year, 40-year and 60-year historical averages. The inflation-adjusted 20 percent tax revenue increase between 2004 and 2006 represents the largest 2-year revenue surge since 1965 and 1967.

There is a myth out there that tax revenues are low. Tax revenues are actually above the historical average, even after the tax cuts. We know that tax cuts are good for this economy; they are always good for the economy. The more money that we leave in the hands and the pockets of our taxpayers, the better off we are. When the government appropriates that money and spends it, the government is very inefficient in its spending of that money, and that does not grow the economy, contrary to what many of our colleagues on the other side of the aisle would like to say.

We are going to talk again more and more about the economy and the fact that it is in very good shape. And it is very unfortunate that the economy doesn't get the positive press that the economy has gotten under Democratic Presidents, when in fact most of the time the results of the good economy are coming from a Republican Congress, which knows how to do things in terms of growing the economy.

I would like to recognize now my colleague from Tennessee, who is here to make a presentation on this issue, also. I know that he will bring some enlightened points to the discussion.

Mr. DAVID DAVIS of Tennessee. Thank you, Ms. FOXX. I appreciate your leadership and your friendship just across the mountain in North Carolina from Tennessee. And thank you, Mr. Speaker, for allowing me to speak today.

It is an interesting time in America; things are going well in the economy. It is going well because Americans are working hard. I grew up in an era of politics looking back at Ronald Reagan, who was a great President. And as we all know, his birthday is today. If you go back 96 years ago was the date of his birth. And one of his quotes was, We don't have a trillion dollar debt because we haven't taxed enough, we have a trillion dollar debt because we spend too much. And I think that is a good starting point as we look towards our economy and how we run this Congress and how we work for the people across America.

Revenues are coming in at a record pace. If we continue the pace that we are at now, we will actually be able to balance our budget by the year 2012 without raising taxes; and I think that is exactly what the American people would like to see. I think they want us to hold the line on spending, I think they want a pro-growth economy, and they want a good, sound financial policy.

If you look at the Congressional Budget Office, the CBO, which is nonpartisan, it confirmed just last week that tax cuts of 2003 have helped boost our Federal revenues by 68 percent. That is good news. There are other signals that keeping taxes low, coupled with fiscal restraint and economic growth, help move us forward and help us balance our budget; and we can do that and take care of that deficit that we have.

If you look at some other statistics that are vitally important, our economy has grown for 21 straight quarters. That is rather impressive. And in the period between 2004 and 2006, Federal tax revenues rose the largest margin in nearly 40 years, not because we had raised taxes, but because we had lowered taxes. In addition to that, the deficit has been cut in half 2 years early, or ahead of schedule. That is good news for Americans. I think that is the type of leadership that America is looking for.

If you look at the way you balance a budget, like a small business does back in east Tennessee, or a family sitting around the kitchen table, and they have a small budget, their budget is tight, they are trying to decide what they need to do, they have to decide, do you cut what you spend or do you bring in additional revenue. And most people understand, as they sit around their kitchen table, you have to hold the line on spending; you can't spend more than you make, unlike government.

I am excited about a good starting point that we see from the President in his budget. It calls for making the 2001–2003 tax relief provisions permanent. I think that is exactly what the American people want. And if we do that, the administration projects total revenue to grow an average of 5.4 percent per year. The way we maintain this healthy economy that we have today is keep tax cuts permanent; that is what the American people want us to do.

We really have a simple choice, Mr. Speaker: we have the choice between a bigger economy or bigger government. And I really believe that if we look forward, what the American people want is us to hold the line on spending, hold the line on increasing the taxes and allow the economy to work the way it has worked in the past and the way it is working today.

We also need to work very hard to make sure that we hold the line not only on spending, but we need to take a good strong look in a bipartisan way at reducing earmarks. I think we need to pass the line item veto. And if we do that, it will allow the President to have better control of how tax dollars are spent.

I would also like to see a biennial budget process where we can actually sit back and let this House and this Congress take a breathing period from every other year and to find out if what we are doing works. And back in Tennessee, as State legislature, I was a State representative for 8 years, we had a balanced budget amendment in our constitution. We couldn't spend more than we brought in. And I signed on as a cosponsor to House Joint Resolution 1, which calls for a balanced budget amendment right here at the Federal level. I think that is exactly what the American people are looking for.

And, again, going back to what Ronald Reagan had to say, just to reiterate, President Reagan said: ''We don't have a trillion dollar debt because we haven't taxed enough, we have a trillion dollar debt because we spend too much.'' And if we can remember that in this body and over in the Senate and we pass a good balanced budget that would take care of the deficit without raising taxes, I think the American people would be very pleased.

Ms. FOXX. I thank Mr. DAVIS, the gentleman from Tennessee, for his remarks. And I appreciate his being involved and sharing some information with us that is so important. This is his first term, and he has done a wonderful job.

He is my neighbor to the west. His district in Tennessee joins the 5th District in North Carolina. We both live in a wonderful, wonderful place. Every time somebody speaks to me about where I live, they say, what a beautiful place you live in, and I feel that way about it. And I want to say that it is a great honor to serve in Congress, but I can tell you that my feet are planted very firmly on the ground in the 5th District of North Carolina, and I don't ever forget where I came from and the people that I represent.

I want to talk a little bit on this issue about the economy that Mr. PRICE set up today for the Truth Squad. And I know he is going to be here probably very shortly, and when he does I am going to yield back to the Chair and hope that the Chair will recognize him so that he can continue this discussion.

I want to talk a little bit today about the economy and an egregious situation that we are facing here in the Congress as it deals with unions. I have come to the floor several times in this session and talked about what I consider the hypocrisy that is going on in this Congress by the majority party. We are having black called white and white called black in terms of pieces of things on the paper. It is astonishing to me the hypocrisy that is going on. And I think there is probably no more greater piece of hypocrisy than this so-called Employee Free Choice Act which has been introduced by the Democrats. It deals with the ability for unions to twist people's arms to get them into unions.

The unions have been steadily losing ground in this country for many, many years. My understanding is that the percentage and number of U.S. workers that belong to unions declined again in 2006, after having stabilized a little bit in 2005. BLS data show that only 13 percent of all construction workers were members of building trade unions, and that is down from 18 percent in 2001.

There is a steady erosion in the percentage of construction workers represented by unions in the past 23 years. What is happening is because the unions are losing membership, they want to take away the secret ballot.

I am going to enter into the RECORD today several different pieces which I have in front of me that I am quoting from. I am going to quote from a Wall Street Journal article of February 2, and from some other information which I will enter into the RECORD. But I want to read the beginning of this article from the Wall Street Journal because I think it is so pertinent. It says: ''Why is the new Congress in such a hurry to take away workers' right to vote?'' It seems extraordinary, but the so-called Employee Free Choice Act is right there near the top of the Democrats' agenda. This legislation replaces government-sponsored secret ballot elections for union representation with a public card-signing system.

One of the reasons that union membership is down so much in this country is because of the abuses of the unions, and also because our economy is so good. And, again, I think that Representative PRICE is going to talk more about the economy. I mentioned earlier that it is the best that it has ever been in terms of wages, in terms of income and wages and homeownership and the burden that we place on the American people from the government. But people don't need to join unions like they needed to 125 years ago or so. We did have abuses in this country by employers, and I am very sorry about that, but those abuses don't go on anymore, and people are finding out they don't have to belong to unions.

But the Democrats, who are so beholden to unions, want to take the right of a secret ballot, which is so fundamental to us in this country, and which they argue for on this floor for voters, and they want to take it away from union members or people who are thinking about forming a union. And I, again, want to make some quotes, because this article is so excellent.

Most important, it is totally unreasonable to deny all 140 million American workers the right to a secret ballot election because some employers break the law. Yes, occasionally somebody may not do what they are supposed to do. Not only is such a remedy disproportionate, it is counterproductive. If one goal is worker empowerment, how can a worker be better off if both his employer and his prospective union boss know his views on the union when the secret ballot is replaced with a public card signing? For the worker, it is the ultimate example of being caught between a rock and a hard place.

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Mr. EDWARDS, who is running for President, has said that if you can join the Republican Party, you should be able to join a union by simply signing a card. But Mr. EDWARDS' analogy is a very false one, because signing a card to join the Republican Party does not oblige you to vote for the Republican ticket in a secret ballot election. And I quote again from the article from the Wall Street Journal: ''The Employee Free Choice Act would take care of that by abolishing such elections. If the Edwards principle was applied to the political process in the 28 non-right to work States, Karl Rove and Republican Party organizers could force all Democrats and Independents to become Republicans and pay dues to the party if a majority of voters signed Republican cards. That's free choice?''

The final proof that this bill is about union power and not worker choice is revealed by its treatment of the flip side of unionization: decertification elections. These are secret ballot elections in which workers get to decide that they have had enough of the union. Under the Employee Free Choice, can a majority of workers decertify the union by signing a card? Not on your life. Here, unions want the chance to engage in a campaign to give workers both sides of the story and maybe do a better job of representing them before the union's fate is decided by a secret ballot vote.

Again, the hypocrisy is absolutely mind-boggling, and is just one more example. We have bills called one thing and they do another. It just goes on and on and on. But I think it is very important that we point out this particular hypocrisy, because the title of this bill, the Employee Free Choice Act, is I think particularly egregious in this respect.

Mr. Speaker, I yield back my time.

[From the Wall Street Journal Online, Feb. 2, 2007]

ABROGATING WORKERS' RIGHTS

(By Lawrence B. Lindsey)

Why is the new Congress in such a hurry to take away workers' right to vote? It seems extraordinary, but the so-called ''Employee Free Choice Act'' is right there near the top of the Democrats' agenda. This legislation replaces government-sponsored secret ballot elections for union representation with a public card-signing system.

Under the act, once a union gets a majority of the workers to sign a card expressing a desire for a union, that union is automatically certified as the bargaining representative of, and empowered to negotiate on behalf of, all workers. In the 28 states that do not have right-to-work laws, all employees would typically end up having to join the union or pay the equivalent of union dues whether or not they signed the card. Moreover, under the act, the bargaining process would be shortened, with mandatory use of the Federal Mediation service after 90 days and an imposed contract through binding arbitration 30 days after that.

I am sympathetic to the argument that strengthening the negotiating position of workers is good public policy, and that expanding the choices available to them is the best way to accomplish that. So, for example, pension portability unlocks the golden handcuffs that financially bind workers to jobs they may become dissatisfied with after they have become vested. Health savings accounts are an important first step to liberating people from jobs they put up with only because they fear a disruption in health-care coverage.

When it comes to unions, it doesn't take a very deep appreciation of game theory to understand that a worker's best position comes when a nonunion company has a union knocking on the door. Indeed, one allegation about ''union busting'' by supporters of the bill is that, during union certification elections, one employer in five ''gave illegal previously unscheduled wage increases while a similar number made some kind of illegal unilateral change in benefits or working conditions.''

In other words, they made workers better off. But, never fear, the Employee Free Choice Act will limit these unconscionable increases in pay, benefits and working conditions by imposing fines of up to $20,000 against employers who make such ''unilateral changes.'' Similar penalties will be assessed against employers who caution that unionization may cause them to shut down or move production elsewhere.

Sometimes the interests of workers and unions coincide, sometimes they do not. The chief complaint by the bill's sponsors is that unions only win secret-ballot elections half of the time. Apparently workers, after they think things over and when neither the union nor the company knows how they vote, often decide they are better-off without the union. The solution of the Employee Free Choice Act is to do away with such elections. It is hard to see how that ''empowers'' workers. And it is hard not to conclude that this bill has little to do with employee choice or maximizing employee leverage, and everything to do with empowering union bosses and organizers.

The unions allege that companies use unfair election campaign tactics and that a pro-employer National Labor Relations Board doesn't punish them. But statistics cited by the leftwing Web site, Daily Kos, on behalf of this allegation come from 1998 and 1999—when the entire NLRB had been appointed by President Clinton. In any event, roughly half the injunctions brought against companies by the NLRB were overturned by federal courts: This does not suggest under-enforcement of the law by the NLRB.

All of this does not mean that there are no legitimate complaints about the union certification process. Companies have been found that fired workers for union organizing activities. One careful examination of NLRB data found that there were 62 such cases in fiscal 2005. This is not a large number in a work force of 140 million, or in a year where there were more than 2,300 certification elections. But it is 62 too many, and it would be reasonable to stiffen the penalties for employers who break the law. But it is hard to think of offering more pay or better worker conditions as something that should be punished with draconian penalties, as the Employee Free Choice Act does.

Most important, it is totally unreasonable to deny all 140 million American workers the right to a secret ballot election because some employers break the law. Not only is such a remedy disproportionate, it is counterproductive—if one's goal is worker empowerment. How can a worker be better off if both his employer and his prospective union boss know his views on the union when the secret ballot is replaced with a public card signing? For the worker it is the ultimate example of being caught between a rock and a hard place.

The political rhetoric in support of this bill is a willful exercise in obfuscation. For example, on the presidential campaign stump John Edwards says, ''if you can join the Republican Party by just signing a card, you should be able to join a union by just signing a card.'' The fact is, you—and everyone else—can join any union you want by just signing a card, and paying union dues and meeting any other obligations imposed by the union. But, under this bill, contrary to Mr. Edwards's false analogy, signing a card to join the Republican Party does not oblige you to vote for the Republican ticket in a secret ballot election. The Employee Free Choice Act would take care of that by abolishing such elections. If the Edwards principle was applied to the political process in the 28 non-right-to-work states, Karl Rove and Republican Party organizers could force all Democrats and independents to become Republicans and pay dues to the party if a majority of voters signed Republican Party cards. That is free choice?

The final proof that this bill is about union power, and not worker choice, is revealed by its treatment of the flip side of unionization: decertification elections. These are secret ballot elections in which workers get to decide that they have had enough of the union. So under the Employee Free Choice Act can a majority of workers decertify the union by signing a card? Not on your life. Here unions want the chance to engage in a campaign to give workers both sides of the story—and maybe do a better job of representing them—before the union's fate is decided, by a secret-ballot vote.

No one has ever argued that secret-ballot elections are a perfect mechanism, either in politics or in deciding unionization. But they are far and away the best mechanism we have devised to minimize intimidation and maximize the power of the people to really matter, whether citizen or worker. Congress should think a lot harder before it decides to do away with workers' right to vote.

[From the Coalition for a Democratic Workplace]

THE SO-CALLED ''EMPLOYEE FREE CHOICE ACT'' UNION LEADERS'' RHETORIC VS. THE FACTS

Union Rhetoric: Secret ballot elections take too long and delays of months or years are common.

Facts: The average time for an election to be held is just 39 days and 94 percent of elections are held within 56 days. The rare exceptions that take longer hardly justify abandoning the entire secret ballot election process.

Union Rhetoric: Card check procedures are the most effective way to determine the wishes of a majority of employees.

Facts: Federal courts have repeatedly ruled that secret ballot elections are the most foolproof method of ascertaining whether a union has the support of a majority of employees, noting that, workers sometimes sign cards not because they intend to vote for the union in an election, but to avoid offending the person who asks them to sign (often a fellow worker), or simply to get the person off their back.

Union Rhetoric: Employers illegally fire employees in 25 to 30 percent of all organizing drives.

Facts: Those who falsely claim employers illegally fire a large number of employees during organizing drives cite to two studies, one by Cornell professor Kate Bronfenbrenner and another commissioned by the pro-union group American Rights at Work. Unfortunately, these reports are in fact surveys of uncorroborated reports of union organizers—hardly an unbiased source. National Labor Relations Board statistics show that employees are illegally fired in just over one in 100 (1 percent) organizing drives. Furthermore, if the NLRB finds that an employer illegally fired workers during an organizing drive it has the power to order the employer to recognize and bargain with the union, even if the union lost the election.

Union Rhetoric: The secret ballot election process enables employers to wage bitter anti-union campaigns.

Facts: In almost nine out of ten cases the employer and union reach agreement on the most contentious issues surrounding union elections: the scope of the bargaining unit (who is eligible to vote), and the date and time of the election.

Union Rhetoric: In an election, management has total access to the list of employees at all times, while union supporters may have access very late in the process to a list that is often inaccurate.

Facts: Employers are required to submit complete and accurate lists of employees within one week of the determination that an election will be held. The list is then provided to the union. If the employer fails to provide the list or the list is inaccurate, the Board can set aside the election and order another, especially if errors involve a determinative number of voters.

Union Rhetoric: The Employee Free Choice Act gives employees the option of using a card-check system; it does not replace the secret ballot election. Employees are still free to choose a secret ballot process.

Facts: The card-check process does not give employees a choice at all. Instead, it gives union organizers the choice of whether to organize through a card check process. If the union chose to submit authorization cards, workers would be barred from seeking an election. In addition, the card check process can cut up to almost half of all employees out of the organizing process because the union only needs signatures from a simple majority in order to gain collective bargaining rights. During the card-check process, those employees who do not want a union do not have a voice and are in effect removed from the process of making decisions about their own jobs.

The SPEAKER pro tempore. Under the Speaker's announced policy of January 18, 2007, the gentleman from Georgia (Mr. PRICE) is recognized for the remaining time as the designee of the minority leader.

Mr. PRICE of Georgia. Mr. Speaker, I appreciate the opportunity to come to the floor again today and appreciate the confidence of my leadership in allowing me to organize this hour and come chat a little bit with our Members here and to point out some interesting information in another edition of the Official Truth Squad.

The Official Truth Squad is a group of individuals who try to come to the floor on this side of the aisle at least once a week in an effort to bring some truths and some facts to the items that we talk about on this floor. I know it won't surprise you, Mr. Speaker, but oftentimes some of the things we hear on this floor aren't necessarily the truth. So what we try to do is to point out items that are of importance in terms of information to the American people and how we on this floor ought to be making decisions on their behalf.

And in so doing, we have a number of individuals we like to point to as kind of leaders in the public arena, both present and past, who have had as one of their hallmarks making certain that they discussed truth and made certain that they used facts in developing their positions.

One of my favorite quotes comes from Senator Daniel Patrick Moynihan, former United States Senator from New York, and he had a quote that said: ''Everyone is entitled to their own opinion but not their own facts.'' I think that is incredibly important as we talk about this issue that we are discussing today, the economy and the budget and issues that relate to how Washington spends hard-earned taxpayer money.

One of the most important facts is it is the taxpayers' money, it is not the government's. And there are many people who are here in Washington who believe that somehow, just by some miraculous nature, when the money is sent to Washington that somehow it becomes the government's money. Well, Mr. Speaker, I would hope you would agree with me that in fact it is the taxpayers' money and we need to spend it very, very wisely.

One of the other relative issues that I think has seen a lot of naysayers and a lot of misinformation is the state of our economy right now. If you ask folks, most people across this Nation will say that their own economic situation is pretty good and they feel pretty good about the future. If you ask them how the economy in the Nation is going, the majority of them say that it is not going well at all. And that, I believe, to be in large part due to much of the messaging that comes out of Washington. Our good friends on the other side of the aisle have been down-talking this economy for years, literally years.

So I was curious that over the weekend the Wall Street Journal had an editorial that they entitled: ''The Current 'Depression,' '' and they used ''depression'' in quotes, because if you really look at the numbers, if you look at the facts, Mr. Speaker, they kind of belie the naysayers in what they have been saying: 110,000 new jobs in January, 41 straight months of job growth in this Nation. The average job growth in 2006 was 187,000 jobs; 2.2 million new jobs in 2006, and 7.4 million new jobs since 2003; 7.4 million new jobs since 2003.

When you compare this expansion to the expansion that all sorts of folks talk about as being the be-all and the end-all, and that is with the expansion of the 1990s, when you compare this expansion, the expansion that we are currently in, the economic success that we are currently in is better when you look at many, many parameters.

Unemployment, for example. The first six years of the 1990s, 1991 through 1996, had an average unemployment rate of 6.4 percent. The average unemployment rate for the first 6 years of this decade: 5.4 percent. And as you know, Mr. Speaker, that unemployment rate is at 4.6 percent. And the last time I looked, if the average unemployment rate is 4.6 percent, it means that 95.4 percent of folks are working.

Real wage growth. Our friends on the other side of the aisle often talk about, well, this is a recovery, an economy that isn't resulting in real jobs; the wage growth isn't occurring, people's wages aren't increasing. Well, if you compare it to the vaunted years of the early 1990s, real wage growth for those first 6 years averaged 0.6 percent per year increase. 2001 through 2006, real wage growth in this Nation up 1.5 percent, and last year it was 1.7 percent increase. And that is accounting for inflation. It is accounting for inflation, Mr. Speaker.

Now, one might want to ask, given the success of the current economy, how did that happen? What happened? How did that occur? How are we seeing the kind of results in the economy, the good news that we are currently seeing?

And I am fond of using charts because I think that they paint a picture that is oftentimes, at least for me, easier to comprehend and easier to get my arms around. This is a chart that runs from 2000 through 2006, and we are going to update the numbers for this most recent quarter. But what it shows here on this vertical line, this dotted green vertical line is when we began this remarkable expansion. And what occurred on that at that point was, you guessed it, Mr. Speaker, appropriate tax reductions for the American people. So when you decrease taxes, what happens is that the blue line, you get more jobs; the red line, you get increasing business investment; and, lo and behold, something that President Kennedy knew and President Reagan knew, when you decrease taxes, which occurred at the nadir of this graph here, what happens is that you increase government revenue.

It sounds counterintuitive, but in fact it isn't. If you decrease taxes, if you allow individuals to have more of their hard-earned money, what happens is that the economy grows and, because of that, tax revenue flows to the Federal Government.

Now, an individual who is joining us today for this edition of the Official Truth Squad, an individual who is a new member of our conference from California who knows a lot about taxes and a lot about the issue of taxes and how they affect us on a daily basis, I am pleased to ask my friend Kevin McCarthy from California to join us and give us some insight into exactly where those taxes come from and how often we are taxed. I think that is the kind of truth and facts you would like to bring to us today.

Mr. McCARTHY of California. I thank the gentleman for yielding the time.

I do come from California and I am a new Member, and I think as is only fitting we are talking about how letting people keep their hard-earned money, how jobs grow, revenue grows, and individuals can spend the money on what they desire, like putting their kids through college. But we would be remiss if we didn't mention this day, because I think it is rather ironic. Today is the 96th birthday of Ronald Reagan, and nobody finer than that talked about taxes and talked about which way they went. And President Ronald Reagan was actually Governor of California at one time. That is where I come from prior to serving in this House; I served in the State assembly. And when I got elected to the State assembly, we had a $36 billion deficit.

And much like the other side of the aisle here, the other side of the aisle there, their answer was to raise taxes. We sat down, the Republicans, and crafted a bill that actually proposed a budget that didn't raise taxes. It gave incentives that let people keep more of what they earned. We have seen revenues continue to grow. We are now about out of our deficit, which was fundamentally the biggest one they have ever had, and it has continued to move forward that we were able to bring more revenues in.

But I want to put forth really the graphs you have been talking about, put it into everyday life, put it into where people understand it. Where you saw that graph continue to take off, that is when the tax cut happened.

Now, what does that mean to the millions of Americans? Well, more than 100 million Americans have now had more than $2,200 of tax relief. That may not sound like a lot of money to Washington where they spend trillions of dollars, but that is $180 a month. Do you know what that means? That means day care, that means you can take your kids maybe to Disneyland, that means you can go and invest for your kids' college future. That is what it means when you send more than $1 trillion back to the taxpayers that actually earned the money.

Now, to put it in a much broader perspective where a person can understand day-to-day life, I always like to see what I did today and what did it mean about taxes and what did it take out of my pocket on my money.

When I woke up this morning, I took a shower. Do you know what? I paid a tax on that water. When I got out, a friend of mine needed a cup of coffee, I bought a cup of coffee. I paid a tax on that. We had to stop at the gas station and put gas in the car. We paid a tax there. When we got to work, most Americans work the first 3 hours just paying the taxes before they earn any money. When I go home, I am going to turn on the TV. Hopefully, I made C–SPAN. I am going to pay a cable tax just to watch the government at work. Then when I go out, somebody is going to have to travel for their work. They are going to buy an airline ticket; they are going to pay a tax on the ticket. They are going to rent a car; they are going to pay a tax on the car.

They check into the hotel; they are going to pay an occupancy tax. And, God forbid, if the other side of the aisle gets their way and we are successful in individuals earning money, the death tax is going to come back. We are taxed from the morning we wake up to take a shower to the night we go to sleep. It is tax, tax, tax.

And I am here to say, just like Ronald Reagan said: ''We don't have a tax issue when it comes to that, we have a spending problem.''

Our revenues are coming in and coming in very strong. So I would proclaim and what I would like to see happen is we actually reform so that we can compete. I will tell you, I have two small kids, Connor and Megan who are just 12 and 10, and every day I call home when I'm back here and we talk about their education, we talk about if they have done their home work. Because I am not concerned with my kids from Bakersfield, California competing with kids with Sacramento, California or even competing with kids from Georgia. Do you know who I am concerned with my children competing with when they grow up? Kids from China and India. And we need a system that allows us to be competitive. We need a tax system that creates jobs, we need a tax system that creates entrepreneurs. And the way we do that is let taxpayers keep more of what they earned.

That is why I applaud you today for your truth, and I applaud you for coming down and doing this work.

Mr. PRICE of Georgia. I thank the gentleman for coming and joining us today and helping out and bringing truth and facts to the issue of the economy and especially taxation, because oftentimes people don't think about the times that they do indeed pay tax.

I try to visit as many schools as I can in my district back in Georgia, and when I am in front of student groups, I oftentimes ask them, Do you pay any tax? And of course most often they say, Oh, no. We don't pay any tax. Our parents pay some tax, but we don't pay any tax. Then you ask them, Did you buy a pack of gum? Paid for any of your shoes lately? Have you bought any food? Anything that you buy, anything that you buy has taxes on it. So any consumable product whatsoever has taxes on it. So everybody contributes into it. And when individuals are able to keep more of their own money, what happens is that the economy is able to flourish to a much greater degree. So I appreciate the information that you brought about taxes.

I also want to point out that you mentioned that our good friends on the other side of the aisle seem to be moving in the direction of allowing the appropriate tax reductions that resulted in this success, to allow those tax reductions to go away, which means a tax increase for the vast majority of Americans all across this Nation. And if they do what they have basically said they are planning on doing, and that is allow those tax reductions to expire, allow taxes to go up, the marginal tax rate, that is the rate, the percentage of income that each and every American pays to government to run the services, will be over 50 percent for the first time since the late 1970s. And, Mr. Speaker, some of our Members may not remember the late 1970s, but I remember it and I know that my good friends here remember it, and that is that we had something called the misery index.

□ 1530

It was the last time that inflation and unemployment were just skyrocketing, both of them because of poor programs of the Federal Government.

So I fear that what will happen if our good friends on the other side of the aisle get their way is that we will revisit the misery index. So we are here to try to bring truth and fact and light to the issue of the economy and taxation and the budget.

I am so pleased to be joined by my good friend from Tennessee, the congresswoman MARSHA BLACKBURN, who understands business, understands the economy and budgetary issues as well or better than the vast majority of folks in this Chamber. I look forward to your comments today as we talk about budget, economy and taxes.

Mrs. BLACKBURN. Mr. Speaker, I thank the gentleman from Georgia; and I was so pleased that the gentleman from California mentioned Ronald Reagan and his birthday and brought up the Ronald Reagan quote that government does not have a revenue problem; government has a spending problem. This is something that we all know and we all realize and certainly because of the tax reductions that were put in place, and the gentleman from Georgia showed us the charts that showed how the tax reductions went into place in 2003, and we have seen not only growth in our GDP, not only jobs growth but a reduction in the deficit and record revenues for the Federal Government. Because when those rates of taxation go down, we know that revenues to the government go up.

I was listening to the gentleman from California, and I recalled a conversation with one of my constituents this weekend. He came to me and he said, MARSHA, look at this here in the paper. It was a note that on February 3, 1913, is when the Federal income tax went into place. So here we are at a time when that is being remembered. February 3, 1913, a 1 percent temporary tax, only on the wealthiest, went into place to pay for a war.

And look at what we have got now: an IRS that is big and is bloated and is cumbersome and wants more and more and more, a government that wants more and more and more of the dollar that the taxpayer earns. It is like another saying that Ronald Reagan had: The closest thing to eternal life on earth is a Federal Government program.

1913, a tax was put in place to pay for a war, to fund a defense effort; and today it is bigger than ever and is still in place.

So how appropriate that we come this week and we talk about the budget and we talk about what the President is bringing forth and we talk about the Tax Code and the changes that should be made and the changes that ought to be made and the steps that we should be taking to be certain that the American people retain more of their paycheck. It is an important thing to do.

As I was looking through the President's budget that he is offering forth this week, one of the things that caught my eye and that I was pleased to see is that he is recommending the elimination of 141 programs that maybe have outlived their usefulness, that need to be revisited, that the duties could be shuffled to another one, that could be merged with another program so that services are delivered more effectively and more efficiently. I was very pleased to see that because, as I said earlier, we know that there is a spending problem in Washington, DC.

We have had our focus on addressing that; and what we want to do is reduce that spending, eliminate programs that have outlived their usefulness and make certain that we do not raise taxes. It is important that we move forward balancing the budget. It is important that we get the fiscal house in order. It is imperative that we do it without raising taxes.

So I am looking forward to working to make certain that we focus on waste, fraud and abuse, working to make certain, Mr. Speaker, that we eliminate those programs and, Mr. Speaker, working to make certain that we keep the commitment to the American people that their tax bill is not going to go up, that their tax bill is going to be going down.

I thank the gentleman from Georgia for yielding.

Mr. PRICE of Georgia. I thank you so much for joining us again today and bringing light and truth to an issue that is so remarkably important because it gets to the bottom line for each and every American and each and every American family.

What we do at home, when we have discussions about our family budget, is that we determine how much money we have to spend and then we determine what our priorities are. Depending on what those priorities are, that is how we allocate money, and we try to make certain that we set aside some savings as well for a rainy day, for a difficult time. That ought to be what the Federal Government does, as you well know, but, sadly, that appears to be not the plan of the new majority here.

So it is important that we talk about family budgets, about how family budgets ought to parallel Federal budgets, government budgets.

I would be pleased to yield if you have a comment.

Mrs. BLACKBURN. I thank the gentleman from Georgia.

One of my constituents this weekend was talking about this very issue, and he was very concerned. He had been reading some of the reports, hearing some of the things about the tax reductions that had been put in place in 2003 may be allowed to expire; and he said, MARSH, you know, it is all too often that I have got too much month left over at the end of my money.

His point to me and his admonition was the time has come to achieve greater efficiencies. Every one of our constituents can go through their district and see any number of Federal agencies, State agencies, local agencies that are wasting taxpayer money. They know they cannot do that in their family budget. They know that they cannot do that in their small business budget. As we have said time and again, this is the hold-on-to-your-wallet Congress. They are determined to get more of the taxpayer money, and we are going to stand solid with the taxpayers to make certain that we help protect those pocketbooks.

Mr. PRICE of Georgia. I thank the gentlewoman for her comments and for again pointing out how important it is to have our budget here at the Federal level compare or track what we do at home.

In fact, what we do at the State level, virtually every single State has a balanced budget because they cannot do what Washington does, and that is print money. Having served in the State legislature, we would spend days and weeks and months sometimes dealing with the hard-earned taxpayer money, again not government money, but hard-earned taxpayer money and make certain that our budget was balanced at the State level.

In fact, in Washington I am distressed that is not exactly what occurs. I am a strong supporter of a balanced budget, and what you will see on some of the charts and information that we currently have is that the tax policies that have been put in place and the program changes that have been put in place, something that is not well-known, is that the nondefense discretionary money, which is about 16 to 17 percent of our overall budget right now, has been actually decreasing as it relates to inflation. So Congress has been trying diligently to try to make certain that it reins in costs and spending. Because, Lord knows, we have not got a revenue problem; we have got a spending problem.

If you track out the budget itself, and this is with Congressional Budget Office numbers, they are not the kind of numbers that I think demonstrate the upside that we receive from tax reductions, but, in any event, what they do show is that at about 2011 the budget is balanced. The budget is balanced, and that is if we keep our current programs in place. Now, we can get to that point a lot sooner if we get more responsible on the spending side.

Now, my good friends on the other side of the aisle will tell you, well, we are going to balance the budget, too, and they can do that if they just left things alone. We would get to a balanced budget. But what they will tell you is we need to spend more in other areas, and so we need to tax Americans more. We are going to balance the budget, yes, but we are going to do it by taxing the American people more, and I would suggest, Mr. Speaker, that that is not the way in which we need to move forward.

We will talk about some other revenue items and some other aspects of a balanced budget, but I want to address what has been termed by many myths, 10, 12 number of myths about President Bush's tax reductions. These are the tax reductions, appropriate tax reductions, that our friends on the other side of the aisle say they have to end. They have to increase taxes on the American people.

The Democrat majority has to write a budget. They have to write a budget. Each year, the majority party has to write a budget, and the House has to pass a budget.

The new majority, the Democrat majority, has three options in that budget as to how they are going to deal with these appropriate tax reductions that were put in place earlier in this decade. They can extend them. They can continue the appropriate tax reductions, something that I and the vast majority of folks on our side of the aisle believe ought to occur. They could allow them to expire. Virtually all of them are slated to expire in 2011.

So, if no action is taken, then the other side will, in fact, increase taxes, or they can repeal them. They could increase taxes right way. So they have the responsibility of determining exactly what they are going to do with those appropriate tax reductions.

There are a number of myths that have grown up around these tax reductions that I would like to highlight. One is that the tax reductions themselves or the tax revenues themselves remain low. In fact, Mr. Speaker, as I have on a previous chart shown, the tax revenues are above the historical average, even after these appropriate tax reductions.

Tax reductions in 2006 were about 18.4 percent of the gross domestic product, which is actually above the 20-year, 40-year and 60-year historical averages. Now the inflation-adjusted 20 percent tax revenue increase between 2004 and 2006 represents the largest 2-year surge in tax revenue since 1965 and 1967. Let me repeat that, Mr. Speaker. The revenue to the Federal Government increased 20 percent over a 2-year period between 2004 and 2006, which is the largest increase in revenue to the Federal Government since 1965 and 1967. So claims that Americans and the American people are undertaxed according to history are simply patently false, absolutely untrue, and so it is important to remember that tax revenues are up because of a decrease in taxes, decrease in liability to the American people.

When you compare the tax revenues in the fourth fiscal year after each of the past recessions, it shows that the tax revenues were basically the same. So, in 1987, tax revenues were about 1.4 percent of gross domestic product; 1995, 18.5 percent; and 2006, 18.4 percent.

All of that is to say, Mr. Speaker, that when you decrease taxes, the revenue that comes into the Federal Government stays about the same as a percentage of the overall economy, but you decrease the number for each and every American because the economy is increasing and the revenue increases to the Federal Government. So tax reductions are good for the government. Tax reductions are good for the American people.

The second myth that I want to talk about and discuss as it relates to the appropriate tax reductions that were adopted by this Congress back in 2001 and in 2003, the myth that is out there is that these tax reductions substantially reduced 2006 revenues and expanded the budget deficit. Well, the fact of the matter, Mr. Speaker, is that nearly all of the 2006 budget deficit resulted from additional spending above the baseline.

I am the first to tell you, Mr. Speaker, that the Federal Government, Washington, has been spending too much money, too much of hard-earned taxpayer money. That being said, I think it is important that our friends on the other side of the aisle, who say that they want to balance the budget, do so by doing the responsible thing and that is decreasing spending and not increasing taxes.

In the first place, if you increase taxes, what you do is, over the long term, you get less revenue to the Federal Government, but in terms of budget deficit, what you see is that you will decrease the deficit more rapidly by decreasing taxes and by decreasing spending.

□ 1545

Now critics tirelessly contend that America's swing from budget surpluses in 1998 through 2001 to a $247 billion budget deficit in 2006 resulted chiefly from what they call ''irresponsible'' tax reductions. This argument, however, ignores the historic spending increases that pushed Federal spending up from 18.5 percent of GDP in 2001 to 20.2 percent of spending in 2006.

Furthermore, tax revenues in 2006 were actually above the levels projected. We have talked about that before. They were above the levels that were projected before the 2003 tax cuts.

Now, immediately before the 2003 tax cuts, the Congressional Budget Office projected that the 2006 budget deficit would be $57 billion. Yet the final 2006 budget deficit was $247 billion. Now, the $190 billion deficit increase resulted from Federal spending, resulted from Federal spending that was $237 billion more than projected. So revenues were actually $47 billion above projections even after the $75 billion in tax cuts that the other side says hurt, hurt the bottom line and hurt the deficits.

So these myths, I think, are important to correct to point out the factual nature of what is going on as opposed to just flying by the seat of your pants, which is not the way folks do their family budget and certainly ought not to be the way that we do our Federal budget.

The next myth I want to talk about is the capital gains taxes; tax cuts do not pay for themselves. There is kind of this sense that folks say, well, if you keep capital gains low, those are the taxes that people pay on the profits that they made on investments.

I am in favor of doing away with them all together. But if you keep them low, what happens is you don't get the same amount of revenue into the Federal Government. Well, the fact of the matter is that capital gains tax revenues doubled, doubled following the 2003 tax cut.

Did you hear that? Capital gains tax revenues doubled following the 2003 tax cut.

Now, whether a tax cut pays for itself depends on how much people alter their behavior in response to that policy. Investors have shown to be the most sensitive to tax policy because capital gains tax cuts encourage new investment to more than offset the lower tax rate.

This chart here is a demonstration of exactly that. What we see here is a chart that shows capital gains tax revenues that doubled following the 2003 tax cut. The yellow line here projected from 2003 through 2006, the yellow line demonstrates what the Congressional Budget Office said would be the taxes gained from capital gains tax revenue. The blue line which you see is significantly higher than that are the actual revenues that came into the Federal Government following the 2003 capital gains tax reduction.

So in 2003 capitalize gains tax rates were reduced from 20 percent to 10 percent, depending on income, to 15 percent and 5 percent. Now, rather than expand by 36 percent from the current $50 billion level to $68 billion in 2006, as the CBO projected, capitalize gains revenue more than doubled $103 billion, $103 billion, more than twice what was projected. Past capital gains cuts have shown similar results as well.

The fact of the matter is, remember, you can have your own opinions as you walk through this discussion of the economy and of tax policy and of budget policy, but it is important that we look at facts so that we are making appropriate decisions here on behalf of the American people.

The fact of the matter is that when you decrease capital gains taxes you increase investment in America and you increase the revenue to the Federal Government, which is demonstrated clearly by this chart that we see right here.

Another myth that I want to talk about is the myth that says that the tax deductions are to blame for the long-term budget deficits. In fact, that isn't true at all. Projections show that entitlement or automatic spending, automatic costs, will dwarf the projected large revenue increases of the current tax reductions. As you remember, the graph that I had up here had revenue to the Federal Government increasing because of the appropriate reductions in taxes to the American people.

However, those increases will all be eaten up by automatic spending that occurs here in Washington. Some folks call these programs entitlement programs. They are primarily Medicare, Medicaid and Social Security.

These are the automatic programs where the spending continues to increase based upon a formula.

I have a chart that I would like to share with you that demonstrates clearly the challenge and the problem that confront not just those of us representing Americans but all of America. These are three pie charts that demonstrate the mandatory or automatic spending that occurs, primarily again in Medicare, Medicaid and Social Security. This is 1995. Those programs comprised approximately half of the Federal budget, 48.7 percent of the Federal budget.

Now, the percent of the Federal budget that was utilized at that time for interest on the debt was 15.3 percent, a point much greater than current, and then discretionary spending where we have all of the Federal programs that people think about in terms of transportation, national park programs, all of those kinds of things, in addition to defense, that portion, in 1995, was 36 percent.

Again, about 48.7 percent was the mandatory portion of the budget. In 2005, just 2 years ago, that portion had grown from 48.7 percent to 53.4 percent. Again, Medicare, Medicaid, Social Security, there were automatic spending increases over a period of time with those three specific programs.

If you track out to 2016, you get to 63.9 percent of the Federal budget. So those are the automatic programs that are in place, the automatic spending programs that are in place. This is clearly, clearly unsustainable. Spending of the entire GDP has kind of hovered around 20 percent for the past half century.

However, with the retirement of the baby boomers, this is the first year that baby boomers will begin to receive Social Security. Social Security, Medicare and Medicaid will see significant increases in the amount of revenue projected to increase over 10.5 percent over the next 10 years. What you see is an increase to 63.9 percent by 2016.

Clearly, clearly, these French-style spending increases, not tax policy, are the problem. In Washington, lawmakers, all of us, all of us have a responsibility and should focus on getting these entitlements under control, as opposed to raising taxes on the American people. That not only will not work, they may be good bumper sticker politics, but they will not work to solve the problem. This is hard work, significant challenges that confront all of us.

Next myth I would like to address very briefly is that raising tax rates is the best way to raise revenue. There is kind of this general belief on the other side of the aisle that all you have to do to get more money is to raise more taxes.

As you know, tax revenues themselves correlate with economic growth, not with tax rates, so that as the government increases its revenue as the economy grows, many of those who desire additional tax revenues regularly call on Congress to raise taxes. But tax revenues are a function basically of two variables. One is tax rates and two is the tax base.

Since 1952, the highest marginal income tax rate has dropped from 92 percent to 35 percent, dropped from 92 percent to 35 percent. At the same time, tax revenues have grown in inflation-adjusted terms while remaining basically a constant percent of GDP. They are basically a perfect correlation between those two.

I think it is exceedingly important for all of us here and the American people to realize and appreciate that raising taxes doesn't raise tax revenue. In fact, as we saw from the previous charts, it is decreasing taxes that increase tax revenue.

One other myth that I would like to talk about very briefly is that there is this myth that reversing the upper income tax reductions, the upper income tax cuts, would raise substantial revenues. In fact, the lower income tax cuts reduced tax revenue more than the high income tax reductions.

I have a chart that will show that as well. This chart oftentimes comes as a real eye opener for the American people and for so many of my colleagues here, as a matter of fact. This chart shows the share of individual income taxes that are paid by different portions of our society, and I would like to just point to the last two bars, the last two bar graphs down there.

This one, the larger one, that demonstrates that over 96 percent of all tax revenue comes from folks in the upper half of the income bracket of this Nation, and that the bottom 50 percent, the lower 50 percent pay less than 4 percent of the tax revenue that comes into the United States.

Now, that is important because if you try to concentrate on just the middle-income folks, in fact, you will not generate the kind of money that you are talking about or that you need, and you also will significantly depress the economy.

Again, it is important to talk about facts. It is important to talk about truth as we talk about making certain that we have the right policy here at the Federal Government.

Finally, there is a myth out there that these reductions, tax reductions, haven't helped the economy. In fact, the economy has responded to the 2003 tax reductions in remarkable ways, as we have already pointed out. GDP grew at an annual rate of 1.7 percent in the six quarters before the tax reductions. The six quarters that followed the tax reductions, it grew at 4.1 percent; 1.7 percent before, 4.1 percent afterward. It is a fact.

Nonresidential fixed investment declined for 13 consecutive quarters before the 2003 tax reductions. Since then, it has expanded for 14 consecutive quarters. Down 13 quarters before, up 14 quarters afterward. It is a fact, not an opinion.

Standard & Poor's 500 dropped 18 percent in the six quarters before the 2003 tax cuts. After, increased 32 percent over the next six quarters; before, down 18 percent; after, up 32 percent. That is a fact, not an opinion.

The economy, six quarters before the 2003 tax cuts lost 267,000 jobs. In the six quarters after, increased 307,000 jobs, and, as you well know, since then we have burgeoned by having 7.3 million new jobs since the middle of 2003.

What we have tried to do today is try to bring to the American people some truth, some facts as we talk about the budget that will have to be laid out here over the next month to 6 weeks, pointing out the remarkable fallacy of so many of the arguments that are used on the floor of this House to say that, well, we have just got to raise taxes. You have heard some of the Presidential candidates out there on the stump, saying, we have just got to raise taxes. In fact, some of my good friends on the other side of the aisle say just that, nothing we can do except raise taxes.

You know and I know that the truth of the matter is that when you look at how the economy operates, how the Federal Government gains revenue, that, in fact, decreasing taxes, maintaining the appropriate tax reductions, allowing the American people to keep more of their hard-earned money is exactly what is the prescription that is necessary for America and for the economy to continue to flourish.

So I look forward to working with my colleagues on both sides of the aisle. I look forward to a spirited debate. I think the question really is, when you get right down to it, the question becomes who ought to decide; who should decide how the American people spend their hard-earned money. Should it be the government? Should it be more government programs? Regardless of whatever area of the society you want to talk about, is it the Federal Government and State governments that ought to be making those decisions?

Or should it be, as I and so many of my friends on this side of the aisle believe, that those decisions are better left to individual Americans? They make better decisions about what to do with their hard-earned money when they are allowed to keep their hard-earned money and not have it rolled into the Federal Government as tax revenue.

I am pleased to be able to provide hopefully a bit of light, a bit of truth, a bit of fact for this Chamber, and deal with the issues that are coming before us over the next 4 to 6 weeks. I look forward to this discussion on this debate.

Mr. TIAHRT. Mr. Speaker, yesterday President Bush sent us his budget request for Fiscal Year 2008. This request includes his spending priorities for each federal agency.

I applaud his efforts to balance the budget by the end of the decade, and to do so without raising taxes on American families. I also applaud his recent efforts to reduce the burden of agency guidance documents through the Final Bulletin for Agency Good Guidance Practices that was published on January 25th.

In addition to federal regulations, which are burdensome enough, the past decade has seen an explosion in "guidance documents" that are not legislated but have the same effect as regulation on American employers and can stifle their growth. As OMB itself noted:

> The phenomenon we see in this case is familiar. Congress passes a broadly worded statute. The agency follows with regulations containing broad language, open-ended phrases, ambiguous standards and the like. Then as years pass, the agency issues circulars or guidance or memoranda, explaining, interpreting, defining and often expanding the commands in regulations. One guidance document may yield another and then another and so on. Several words in a regulation may spawn hundreds of pages of text as the agency offers more and more detail regarding what its regulations demand of regulated entities. Law is made, without notice and comment, without public participation, and without publication in the Federal Register or the Code of Federal Regulations.

In this spirit, I encourage my colleagues on both sides of the aisle to examine the agency budget requests not only with regard to fiscal matters but also with regards to how spending priorities affect our economic competitiveness.

Taxpayer dollars should be used to benefit the public good. Unfortunately, we have seen over and over again that—often with good intention—agencies instead use taxpayer money to impose and enforce regulations that literally strangle businesses and impede job growth.

Regulation imposes its heaviest burden on small and medium sized businesses because it is harder for them to handle the necessary overhead costs of paperwork, staff time and attorney and accountant fees.

Richard Vedder, an economist at the Center for the Study of American Business, finds that federal regulations cause $1.3 trillion in economic output to be lost each year. This is roughly equivalent to the entire economic output of the mid-Atlantic region.

I have to imagine that processing this paperwork also requires a lot of agency time and reduces their ability to clean up the environment, provide better health care, improve labor conditions, make our transport systems more efficient, etc. If the government instead worked with employers to create a better work environment and a cleaner and safer nation, both sides could better accomplish their goals. The real winner would be the American people.

As we go through the budget and appropriations process, I hope that we do so with an eye towards keeping our nation economically competitive now and in the future. We should look for ways in which the government can better work with employers, and also for the best programs to fund to train our children and children's children for the 21st Century economy.

□ 1600

NO BLANK CHECK FOR THE PENTAGON

The SPEAKER pro tempore (Mr. TIERNEY). Under a previous order of the House, the gentleman from Tennessee (Mr. DUNCAN) is recognized for 5 minutes.

Mr. DUNCAN. Mr. Speaker, in an interview published yesterday by the McClatchy newspaper chain, Dick Armey, our former Republican majority leader, said he felt really bad about voting to go to war in Iraq. Mr. Armey said, "Had I been more true to myself and the principles I believed in at the time, I would have openly opposed the whole adventure vocally and aggressively."

It takes a big man to admit something like that. Chris Matthews on MSNBC on election night said, "The decision to go to work in Iraq was not a conservative decision historically" and said the President asked Republicans "to behave like a different people than they intrinsically are."

In 2004, William F. Buckley, Jr., often called the godfather of conservatism, wrote that if he knew in 2002 what he knew by 2004 he would have opposed going to war in Iraq.

Today, the Oversight and Government Reform Committee held a hearing on the subject of waste, fraud and abuse in Iraq. A couple of years ago the same committee, then under Republican leadership, held a similar hearing.

David Walker, now head of the GAO but then Inspector General of the Defense Department, testified at that time that $35 billion had been lost in Iraq due to waste, fraud and abuse and another $9 billion had just been lost and could not be accounted for at all.

I heard a talk by Charlie Cook, the very respected political analyst, who said people could not really comprehend anything over $1 billion. But $44 billion is an awful lot of money in anybody's book.

A Foreign Service Officer told me last year, a few months after he had left Iraq, that he sometimes saw SUVs there filled with cash with barely enough room for the driver.

Conservatives have traditionally been the strongest opponents and biggest critics of Federal waste, fraud and abuse. Conservatives have traditionally been the strongest opponents and biggest critics of wasteful, lavish and ridiculous Federal contracts. Conservatives, especially fiscal conservatives, should not feel any obligation to defend wasteful spending or lavish Federal contracts just because they are taking place in Iraq.

Ivan Eland, in the January 15 issue of the American Conservative Magazine, wrote this. He said, "Many conservatives who regularly gripe about the Federal Government's ineffective and inefficient use of taxpayer dollars give the Pentagon a free ride on their profligate spending habits."

Conservatives admire, respect and appreciate the people in the military as much or more than anyone. Conservatives believe national defense is one of the few legitimate functions of the Federal Government and one of its most important. However, this does not mean we should just routinely give the Pentagon everything it wants or